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Lawmakers Get First Look at “Medicaid Transformation” *KHPA Outlines Project*

(TOPEKA) – The Kansas Health Policy Authority will propose budget initiatives this year that are expected to produce \$11.7 million in savings over the next five years. The agency is also taking administrative actions that will yield an estimated \$16.6 million in additional savings.

Those are the byproduct of KHPA’s ongoing “Medicaid Transformation” project, a continuous process of reviewing each program and service within Medicaid to identify what drives the cost of those programs, where the state can find savings and efficiencies, and most importantly, how to improve those programs to make them more effective for the individuals and families who rely on public insurance programs for their health coverage.

“These are comprehensive, written, data-driven reviews of our programs,” Allison said.

Allison presented an executive summary of the Medicaid Transformation report to the Kansas Senate Public Health and Welfare Committee. A draft of the full 350-page report will be submitted to the KHPA Board for its review and approval at its next regular meeting Jan. 20.

The budget initiatives include improved pharmacy management, outreach initiatives and quality data collection. The administrative actions involve outsourcing transportation services, restructuring and limiting home health services and reforming payments for new medical equipment.

“Medicaid is a huge, complicated program,” said Dr. Andrew Allison, Deputy Director at KHPA and the state’s Medicaid Director. “You can’t just look at the top-line number and say that’s good or that’s bad. You really have to dig down into each and every program to find out where the costs are going up and where you can make improvements.”

(more)

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Marcia Nielsen, Executive Director of KHPA added: “The Kansas Health Policy Authority recognizes the serious budget situation the state faces this year. We have made a sincere commitment to working with lawmakers and the administration to cut costs and improve the efficiency of our programs. At the same time, we need to make sure the individuals and families who rely on these programs continue to get the quality, affordable health care they need. Medicaid Transformation gives us the roadmap to do just that.”

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Additional Facts:

The Kansas Health Policy Authority was established by the legislature in 2005 to coordinate management of the state’s health care programs. Those include Medicaid, the State Children’s Health Insurance Program (SCHIP), HealthWave, the State Employee Health Plan, and the State Self-Insurance Fund (workers compensation). KHPA is also charged with developing and presenting to the legislature each year a coordinated health policy agenda that combines effective purchasing and administration of health care with health promotion oriented public health strategies.

Medicaid and SCHIP provide coverage to more than 300,000 Kansans. Infants, children, the elderly and disabled make up more than half the state’s Medicaid and SCHIP population.

Both Medicaid and SCHIP are joint federal and state programs. The federal government pays approximately 60 percent of the cost of Medicaid in Kansas and 72 percent of the cost of SCHIP.

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